

AUDIT QUALITY OF GOVERNMENT AUDITOR

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Abstract: Audit Quality of Government Auditor. *This study explores the relationship between government's auditors' personal characteristics and acceptance of dysfunctional behavior situational factors on government's audit quality. Data collection was conducted by distributing questionnaires to 111 government's auditors. The data was analyzed using PLS application. The results showed that government's auditors who increasingly accept dysfunctional behavior tend to have characteristic of external locus of control and that government's auditors with external locus of control tend to have low organizational commitment. Leadership style of the audit team leader during the audit process improved the government's auditors' commitment to their organization which leads to high-quality audit.*

Abstrak: Kualitas Audit dari Auditor Pemerintah. Penelitian ini mengeksplorasi hubungan antara karakteristik personal dan faktor-faktor situasional penerimaan perilaku disfungsional auditor pemerintah pada kualitas audit pemerintah. Pengumpulan data dilakukan dengan mendistribusikan kuisioner pada 111 auditor pemerintah. Data dianalisa menggunakan aplikasi PLS. Hasil menunjukkan bahwa auditor pemerintah yang semakin menerima perilaku disfungsional cenderung memiliki karakteristik *locus of control* eksternal dan auditor pemerintah dengan *locus of control* eksternal cenderung memiliki komitmen organisasi yang rendah. Gaya kepemimpinan tim audit selama proses audit meningkatkan komitmen auditor pemerintah pada organisasi mereka yang mengarah pada kualitas audit yang tinggi.

Kata kunci: *Locus of control*, Gaya kepemimpinan, Penerimaan perilaku disfungsional audit, Kualitas audit

Application of good governance principles is a demand that must be performed by the present government in order to provide better public services to the society. Good governance is defined as the methods adopted by the government in managing economic and social resources for community development (World Bank), while the United Nations Development Program defines good governance as the implementation of administrative, economic and political authority to manage the problems of the country at various levels (Mardiasmo 2002). Amongst some principles of good governance, accountability is one of the most important principles and the most-desired requirement by society to-

ward public sector organizations, especially government institutions for both central and local government. Accountability according to UNDP is responsibility to the public for the activities performed.

Implementation of accountability principles in public sector is closely related to the role of the auditor in order to provide sufficient confidence on the fairness of government's financial information which is disclosed to the society. Auditor referred here is government's auditor in which the role to examine management and responsibility of state finances are on the Audit Board of Indonesia (BPK/*Badan Pemeriksa Keuangan*) based on Law No. 15 Year 2006. In performing its duties, BPK is also



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supported by several Laws in order to implement public accountability, such as Law No. 17 Year 2003 About the State Finance and Law No. 15 Year 2004 About the Inspection, Management and Accountability of State Finance and the Regulation of BPK RI No. 1 Year 2007 About the Standards of Financial Auditing. The scope of the audit performed BPK includes audit on financial management and responsibility of state consisting of audit of finance, audit of performance and audit with a specific purpose. Besides BPK, the examination of the state financial management and responsibility is also conducted by the Financial and Development Supervisory Board (BPKP/*Badan Pengawasan Keuangan dan Pembangunan*) as an internal auditor of government. This is stated in the vision of BPKP, i.e. becoming President's Auditor which is responsive, interactive, and reliable to achieve qualified state financial accountability. With the audit performed by both BPK and BPKP the society is expected to know how the actual implementation of financial management of the state. In order to achieve those goals then the audit conducted both by BPK and BPKP must be qualified indeed.

In conducting the audit task, BPK and BPKP as the government's auditors require individuals who capable and master in carrying out their activities in this case, human resource is an important factor for the quality of audit results. It also can be said that personal characteristics give important consequences to the success of the audit conducted. Auditor with good personal characteristics will give consequences in the form of a qualified audit results. But otherwise auditor with bad personal characteristics will produce low-quality audit.

Some results of previous studies indicate that audit quality can be affected by the dysfunctional behavior of auditor. Dysfunctional behavior may provide direct or indirect impact on audit quality. Kelley and Margheim (1990) in their research on the impact of time budget pressure, personal characteristics and leadership style to the dysfunctional behavior of auditor indicated that there are some behaviors that can directly reduce the quality of audit, including: too early completion of the audit steps, failing to understand accounting principles, reviewing client's documents un-deeply and accepting weak explanations from the client. While behaviors which are not influential directly in reducing the quality of audit is reporting

audit time with a shorter total time than the actual time/underreporting of audit time.

The research results of Donnelly *et al.* (2003a) showed that auditors who increasingly receive dysfunctional behavior tend to have external locus of control, report lower personal performance level and show a higher plan to stop working. In the same year, the research results of Donnelly *et al.* (2003b) toward 113 auditors in public accountant firm showed that the locus of control has a direct impact on the acceptance of dysfunctional behavior, in which external locus of control are more likely to lead to dysfunctional behavior. Locus of control also affects the acceptance of dysfunctional behavior through organizational commitment. Individual with an external locus of control has lower organizational commitment and lower organizational commitment is associated with higher possibility of dysfunctional behavior. In addition, auditors with lower position in the public accountant firm are more likely to accept the audit dysfunctional behavior.

In addition to the personal characteristic factor, dysfunctional behavior in organization is also influenced by situational factors such as leadership style. The research results by Kelley and Margheim (1990) showed that staff supervised by a senior who is more structured in defining the tasks of staff then the possibility for behavior of reducing audit is smaller.

Locus of control is defined as a person's perspective on an event whether he/she can or cannot control the event happens to him/her (Rotter 1966 in Prasetyo 2002). Locus of control differentiates individual into two distinct dimensions, i.e. internal locus of control and external locus of control. Individuals with internal locus of control feel that they personally can influence the results through their own ability, expertise or efforts (Luthans 2005), whereas individuals with external locus of control feel that the result they obtain is a function of chance, luck or fate, that are outside their control, or are on the external forces (Rotter 1990).

The differences between the internal locus of control and external locus of control according to Crider (1983) in Pratiwi (2007) are as follows: (1) internal locus of control; have hardworking character, have high initiative, always try to find a solution of a problem, always try to think as effectively as possible, perform better and always have perception that efforts should be done if wish

to get succeed; (2) external locus of control; have character of lack initiative, have expectation that there is a little correlation between effort and success, do not like efforts because they believe that the outside factors control and rarely search for information to solve problems.

Leadership style is the leader's way to influence others or his subordinates so that the person is willing to do the leader's will to achieve the organization's goals although personally it is probably disliked (Luthans 2005). There are several types of leadership style, but what discussed here is the leadership style that was developed by Fleishman *et al* (1962) in Gibson *et al.* (2009). Based on research from Ohio State University by Fleishman *et al.* (1962) in Gibson *et al.* (2009) the of leader's behavior consists of two dimensions, they are: (1) consideration, that is leadership style that describes the proximity of the relationship between subordinates and superiors, there is a sense of familiarity, trust, friendship and respect for subordinates' ideas. Leaders with high consideration emphasize the importance of open communication and participation. For example: decision making by involving employees and appreciation to the employees' work. (2) initiating structure, that is leadership style that indicates that the leaders organize and define the relationship in a group, tend to develop clear communication patterns and channels, as well as explain how to do the right job. Leaders with a high initiating structure have a tendency focus in achieving the objectives and results. For example: setting clear work goals, making decisions without consulting with the members and giving orders frequently.

In addition, leaders who get high score on the dimension of consideration show good relationship and two-way communication with subordinates so that the leaders on this dimension tend to satisfy the subordinates, while the leaders who get high score on initiating structure aspect tend to indicate individual characteristics which have more active role in directing group activities through planning, scheduling, development of new ideas and communicating information so that leaders in this dimension produce productive subordinates. Meanwhile, leaders high on both aspects consideration and initiating structure will result in employees who feel satisfied and productive (Fleishman 1955 in Korman 1966).

Gibson *et al.* (2009) defined organizational commitment as the identification, loyalty and involvement shown by employees towards the organization or unit within the organization. In that sense it can be concluded that organizational commitment covers three behaviors, those are: (1) identification of organizational goals, (2) feeling of involvement in organizational duties, and (3) feeling of loyalty to the organization. It is also said that the lack of commitment can reduce the effectiveness of the organization. Meyer and Allen (1990) divided organizational commitment into three components: (1) affective commitment, the commitment that comes from employees' emotional connection, identification and involvement in the organization; (2) continuance commitment, the commitment associated with loss that will arise if the employees leave the organization. This commitment relates to investments that have been issued by the workers in organizations that include energy, thought and time; (3) normative commitment, the commitment that comes from feeling of compulsory owned by the employees to stay in the organization.

Acceptance of audit dysfunctional behavior is defined as the auditor's level of acceptance (tolerance) toward deviant behavior during the audit. Some research results show that dysfunctional behavior gives impact on audit quality. Some dysfunctional behaviors that threaten the audit quality are premature sign-off and altering/replacement of the audit procedure. Ragunathan (1991) stated that premature sign-off is the action of audit personnel who completes the audit program steps too early before completing one or more audit procedures determined. Premature sign-off is the main form of behavior that reduce the audit quality, which is identified from several aspects such as the rejecting items that are awkward to be included in the sample, receiving the dubious audit evidence and not testing all evidences taken as sample, mainly due to time budget pressure (Soobaroyen and Chengabroyan 2006). While altering/replacing of audit procedure is the replacement of audit procedures set forth in the audit planning. Both forms of behavior are forms of audit quality reduction practices, which are defined as actions conducted by the auditors during the audit that can reduce the accuracy and effectiveness of evidence reduction (Malone and Robert 1996).

Audit quality can be interpreted as the probability of an auditor to find and to re-

port a fraud in the client's accounting system, which in this case the ability to find and to report fraud depends on the auditor's technical ability and auditor's independence to the client (DeAngelo 1981). Carcello *et al.* (1992) suggested 12 attributes related to audit quality, namely experience of audit team and KAP with clients, industrial expertise, responsive to client's needs, compliance with the standard of auditing, commitment of KAP to quality, executive involvement (partners and managers) of KAP, execution of field work, the involvement of the audit committee, characteristics of audit team members, auditor's skepticism, auditor's activities in maintaining the new perspective in work, and individual's responsibility level in KAP.

Aldhizer (1995) also conducted research in public sector. As a practitioner, he defined audit quality as the relative level of audit compliance with applicable auditing standard. The survey conducted on 93 government's auditors to identify audit quality of central government financial assistance, showed 11 attributes of audit quality including experience of audit team, expertise and training, characteristics of KAP and how the recipient chooses the auditor.

Kinicki and Vecchio (1994) in their research suggested that locus of control was an antecedent to organizational commitment. The internal locus of control perceives that they have more chance or opportunity than the external locus of control, so when individual is within an organization, he then will have higher commitment. The external perceives that there are only a few choices so there is no other option but to stay within the organization, while the internal has active choices to stay in the organization which then increases the organizational commitment (Donnelly *et al.* 2003a). The research results of Donnelly *et al.* (2003b) of 120 auditors in public accountant firm showed that the external locus of control negatively relates to organizational commitment which implies that the internal locus of control has higher commitment level than the external locus of control.

By referring to some previous research results which show that the internal locus of control has higher motivation, performance and job satisfaction than the external locus of control accompanied by greater salary and salary increase than the external, then the internal will be happier in the organization so that they are more likely to survive in the or-

ganization and increasingly show their commitment. Conversely, individuals who have tendency of external locus of control will feel less satisfied with their organization and this will impact on the reduction of individuals' commitment to the organization.

Individuals with internal locus of control feel that they personally can influence the results through their own ability, skill or effort, while individuals with external locus of control feel that the results they obtain are in control of external factors such as luck and task complexity (Luthans 2005). In a situation where individuals with external locus of control feel unable to get strength support they need to survive in an organization, they have potential to try to manipulate the partner or other objects as their defense needs (Solar and Bruehl 1971 in Donnelly *et al.* 2003a). It means that when individuals with external locus of control feel that they do not have the capacity or expertise needed in the organization they then will use manipulation in order to make their performance looks better so that they survive in the organization.

Another study by Reiss and Mitra (1998) on the impact of the difference of individual factors in the ability to accept ethical or unethical behavior showed that individuals with internal locus of control tend to increasingly do not accept certain action that less ethical, while individuals with external locus of control tend to increasingly accept certain action that less ethical. This raises the suspicion that the higher external locus of control the higher tendency to accept the audit dysfunctional behavior.

Leadership style and organizational commitment are closely related. Leaders in organizations have an important role in directing the behavior and actions of subordinates to be consistent with organization's goals. With leadership style, it is also expected that members of the organization is highly committed to the organization. The research results of Dale and Fox (2008) toward 147 employees of manufacturing company located in Midwest indicated that leadership styles, both consideration and initiating structure, have a positive relationship with organizational commitment. When subordinates perceive that the superiors show higher level of initiating structure, the superiors formulate a working environment or provide formal rules and procedures for subordinates to follow. The result, employees will have higher sense of responsibility and will ultimately have higher affective

The results of Kelley and Margheim (1990) research showed that auditor staff supervised by a senior who is more structured in defining the tasks to staff, would reduce the dysfunctional behavior in the audit process. Similar results are also found by Otley and Pierce (1995), which indicate that the leadership style of initiating structure tends to reduce audit dysfunctional behavior. Based on the research results of Jiambalvo and Pratt (1982), subordinates supervised by senior who has a leadership style of consideration tend to be more satisfied and have better performance so it is expected that the environment in which senior's consideration is high, then the possibility of auditor staff to conduct dysfunctional behavior will decrease. Meanwhile, an environment where senior's initiating structure is high, which in this case the senior will provide the structure of tasks necessary in the audit, the auditor staff will then have little chance to make auditor dysfunctional behavior.

Organizational commitment is defined as acceptance of organization's goals and desire to strive for the organization (Luthans 2005). Dysfunctional behavior is associated with organizational commitment, such as resistance to change and reluctance to leave the organization related to the lack of ability (Aranya and Ferris 1984). Auditor with high organizational commitment is interpreted as auditor who receives the organization's values and has a strong desire to achieve organization's goals. With this situation, the auditor will not perform forms of personal dysfunction can threaten the organization's goals. Therefore, the auditor who has low organizational commitment will tend to behave in dysfunctional way to achieve his personal goals.

Lord and Dezort (2001) in Setiawan (2005) argue that auditor with high organizational commitment will be more likely to maintain audit quality. This occurs because individual with high organizational commitment is identified with a strong desire to strive in accordance with the organization's goals and tendency to accept organization's values so that when an organization has goals to achieve then the members will strive to achieve those goals as desired by the organization. Thus, it can be said that auditor with high commitment to the organization will produce high quality of audit.

Some research results showed that dysfunctional behavior affects audit quality, in-

cluding too-early completion of audit steps, failing to understand the principles of accounting, reviewing client's documents in a shallow way and accepting a weak explanation from the client. Dysfunctional behavior that does not affect directly in reducing the audit quality is reporting audit with shorter total period than the actual time/underreporting of audit time (Kelley and Margheim 1990). The dysfunctional behavior can influence the audit quality directly in gathering material evidences (Donnelly *et al.* 2003b).

Premature sign-off can be identified from several aspects such as rejecting awkward items to be included in the sample, receiving the dubious audit evidence and not doing test against all evidences taken as samples (Soobaroyen and Chengbroyan 2006). In this condition, hence by doing premature sign-off will reduce the possibility for the auditor to obtain material findings such as fraud that can harm the organization. Based on the research results it can be concluded that the auditor dysfunctional behavior can lead to declining audit quality

This study attempts to develop a study conducted by Donnelly *et al.* (2003b) by replacing position variable becomes leadership style which is also used in a study of Kelley and Margheim (1990) and using the variable of audit quality as the impact of the audit dysfunctional behavior. Previous research finding revealed that position does not affect the organizational commitment. Therefore, this study attempts to link organizational commitment with leadership style. The selection of leadership style variable to replace the position variable from the previous research results are due to the important role of leadership style on the members' behavior during the audit, which in this case, the leader of audit team interact directly with members through audit work. Hopefully, good leadership style will reduce the deviation level of the members of audit team that will produce a qualified audit. In addition, audit quality is used in this research due to the judgment of important effect of dysfunctional behavior on the audit quality and this study attempts to find that essential effect which is not offered in the prior research.

The finding from this study does not support result from Donnelly *et al.* (2003) which revealed that organizational commitment is an important influence of dysfunctional behavior, which in this case, auditors with external locus of control tend to have

lower levels of organizational commitment and further affect the acceptance of dysfunctional audit behavior. However, findings from this study provide significant result about the effect of organizational commitment on the audit quality. In addition, recent study also found that the organizational commitment could be formed by leadership style.

METHOD

Data used in this study were primary data collected through questionnaires distributed to respondents. Respondents in this study were auditors who work in the Audit Board of Indonesia (BPK). The auditors referred here are BPK official auditors who already have the Functional Auditor position, are placed on the technical units and have conducted auditing. In addition, the auditors used as respondents in this study were the auditors who work in BPKP (The Financial and Development Supervisory Board). Sampling in this study used non-probability sampling methods with purposive sampling technique. Purposive sampling was carried out by taking samples from population based on certain criteria (Jogiyanto 2007). From the results of data collection, it was found that 111 questionnaires were used in this study.

Locus of control variable was measured by using The Work Locus of Control Scale (WLCS) developed by Spector (1982). The instrument used in this research was adopted from Donnelly *et al.* (2003a). Respondents were asked to identify the relationship between the outcome or reward and the cause. Respondents' answers were measured in five-point Likert Scale ranging from strongly disagree (1) to strongly agree (5).

variable has two dimensions namely consideration and initiating structure which were measured using instrument developed by the Ohio State University, *i.e.* Leader Behavior Description Questionnaire (LBDQ). In this study, respondents were asked to rate

the leadership style of the audit team leader through 20 questions that will be measured with a 5-point Likert scale: 1 (never), 2 (rarely), 3 (sometimes), 4 (often) and 5 (almost always).

Organizational commitment variable was measured using the Three Component Model instrument developed by Meyer and Allen (1990), consisting of affective commitment, continuous commitment and normative commitment. Respondents' answers were measured with five-point Likert scale: from (1) strongly disagree, (2) disagree, (3) uncertain, (4) agree and (5) strongly agree.

This research examined the acceptance of dysfunctional behavior on the too-early completion of audit steps (premature sign-off) and the behavior of changing previous audit procedures that have been defined in the audit planning. Measurement of level of respondents' acceptance of forms of dysfunctional behavior adopted questions from Donnelly *et al.* (2003a). Respondents' answers were measured by five-point Likert scale ranging from strongly disagree (1) to strongly agree (5), which in this case point 5 shows high level of acceptance of dysfunctional behavior.

Indicators of measuring the audit quality variables used the attributes used in Carcello *et al.* (1992). The research instrument was adopted from Setiawan (2005) and Sososutikno (2003). Respondents' answers were measured with five-point Likert scale ranging from strongly disagree (1) to strongly agree (5).

Analysis used in this research was path analysis by using the application of Partial Least Square (PLS) Version 2.0. Criteria used in measuring to see causality between the latent variables was by seeing comparison values of *t*-table and *q*-statistics. For 95 percent of confidence level (alpha 5 percent) then the value of *t*-tables for two-tailed hypothesis is ≥ 1.96 and for one-tailed hypothesis is ≥ 1.64 (Jogiyanto 2009). This study used *t*-table value of two tailed hypothesis, *i.e.* ≥ 1.64 .

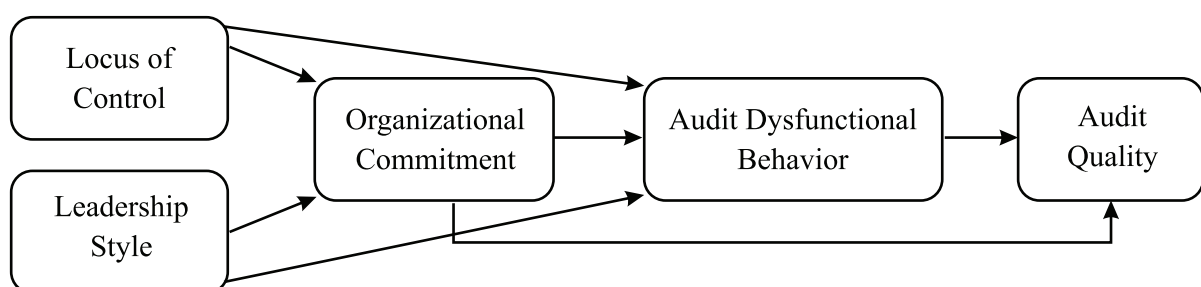


Figure 1. Research Framework

Model in this study consist of exogenous and endogenous variable. The exogenous variable showed by locus of control and leadership style, while the endogenous variable is illustrated by organizational commitment, audit dysfunctional behavior, and audit quality. Research framework can be shown in the following scheme:

RESULTS AND DISCUSSION

The result indicates that external locus of control is negatively related to organizational commitment. This was consistent with earlier research by Donnelly *et al.* (2003a, 2003b), which implies that external locus of control has a lower commitment levels than internal locus of control. Referring to previous studies on the individual's characteristics with internal and external locus of control, it showed that individual with internal locus of control has the higher motivation, performance and job satisfaction along with greater opportunities such as gaining better salaries increase and positions than external, hence the internal would be so happier in their organization that leads them to survive in the organization and further show their commitment. Conversely, individuals who have a tendency of external locus of control will feel less satisfied with their organization because they do not have many choices in the organization as obtained by individuals with internal locus of control but they have to stay within the organization and this will impact on the reduction of individual's commitments to the organization. Thus, it can be concluded that the more external locus of control of a person, the lower the individual's commitment particularly commitments to the organization where they work. In other words, the government's auditors with characteristic of external locus of control have low commitment to the organization.

External locus of control is positively related to acceptance of audit dysfunctional behavior. This suggested that individuals with external locus of control tend to show a dysfunctional behavior in audit. Solar and Bruehl (1971) in Donnelly *et al.* (2003a) stated that in situation where individuals with external locus of control are unable to get the force support they need to survive in an organization, they have potential to manipulate their partner or other objects as their defense needs. This means that when individual with external locus of control feels that they do not have the capacity or expertise needed

within the organization they will then use manipulation in order to make their performance looks better so that they can survive in the organization. This is associated with individuals with locus of control who perceive that the outcome they receive is determined increasingly by factors outside themselves, such as luck and chance. Therefore it can be concluded that the more external locus of control of a person, the higher the tendency for someone to do dysfunctional behavior. This means that the government's auditors who have external locus of control tend to do dysfunctional behavior in audit.

The other result shows that leadership style is positively related with organizational commitment. These result support research conducted by Dale and Fox (2008) which showed that leadership style of both consideration and initiating structure has positive relationship with organizational commitment. When subordinates perceive that the superiors show a high level of initiating structure, superiors formulate a working environment or provide formal rules and procedures for subordinates to follow. The result was that employees will have higher sense of responsibility and ultimately will have higher commitment, which in this case affective commitment is one of organizational commitments. In other words, it can also be said that with good leadership style in terms of consideration and initiating structure, then it can increase the subordinates' commitment to the organization where the individual is working. It can be concluded that the leaders have a crucial role in directing subordinates in order to align with organizations so that they can help the leaders as representatives of the organization to achieve organization's goals that have been determined. Team leaders with good leadership style by considering the proximity of relationship and mutual trust with their members and providing work structure for the members tend to be able to enhance members' commitment to the organization.

The other result shows that leadership style is negatively related to acceptance of audit dysfunctional behavior. These results do not support a study by Jiambalvo and Prat (1982). These different results may indicate that the personal characteristic of the auditor is very important factor because although nothing as good as the leadership style of team leaders, this will not affect someone's desire to do dysfunctional behav-

ior in order to achieve their personal goals, for instance wishing to get the better performance assessment.

Organizational commitment is negatively related to acceptance of dysfunctional behavior. This implies that government's auditors with high commitment to the organization cannot be said that they would not do dysfunctional behavior. This can be possible when they are confronted with situations that may force them to do dysfunctional behavior, such as pressure from the superior or the pressure from themselves such as wishing to get better performance assessment. These insignificant results may also occur when auditors perceive that they do dysfunctional behavior within acceptable tolerances so it will not affect the overall audit results.

The results about relation between organizational commitment and audit quality show significant result. These result support research conducted by Lord and Dezoort (2001) in Setiawan (2005) that auditors with high organizational commitment will be more likely to maintain audit quality. In other words, the government's auditors who have high organizational commitment will tend to make their best efforts during the audit so that audit quality will be produced. This is done because of the high commitment to the organization which is indicated by: (1) strong desire to remain as members of certain organization, (2) desire to strive according to the organization's wishes, and (3) certain belief and acceptance of organization's values and goals (Luthans 2005).

The acceptance of dysfunctional behavior is negatively related to audit quality. As stated by Setiawan (2005), this could happen because the auditor perceives that the dysfunctional behavior they do is still within tolerable limits so that this dysfunctional

behavior can be done and will not affect the overall audit results. The test results of this research are shown in the table 1:

From the results of tests conducted using PLS (Partial Least Square), it is found that external locus of control is negatively and directly associated with audit quality. This shows that government's auditors with characteristic of external locus of control can reduce audit quality. This is associated with individuals with external locus of control that have properties of lacking initiative, having expectation that there is little correlation between effort and success, disliking effort because they believe that the outside factors control and rarely searching for information to solve problems. This causes them to be individuals who do not give their best efforts in the audit that can provide a quality audit results.

In addition, test results also showed that leadership style is positively and directly related to audit quality. These results imply that the team leaders with good leadership style in terms of consideration and initiating structure will assist in achieving the government's better audit quality. This is associated with characteristic of leadership style that considers the proximity of the relationship between team leaders and members, as well as the role of team leaders who provide the work structure to the members so that they can perform audit process easily, hence they feel have guidelines in doing audit process more systematically than team leaders who do not do that. With a more structured leadership style, the members can understand better the processes that must be done and ultimately the audit results generated would be better.

The test results of the research are shown in the Table 2:

Table 1. Path Coefficients (Mean, STDEV, t-Values)

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	Standard Error (STERR)	t Statistics (O/STERR)
LS -> OC	0,230745	0,240598	0,098430	0,098430	2,344262
LS -> AADB	-0,162167	-0,178023	0,105683	0,105683	1,534464
OC -> AQ	0,566189	0,568973	0,064388	0,064388	8,793422
OC -> AADB	0,204414	0,219606	0,131986	0,131986	1,548758
LOC -> OC	-0,299936	-0,300026	0,139685	0,139685	2,147236
LOC -> AADB	0,394052	0,417387	0,105244	0,105244	3,744182
AADB -> AQ	-0,088423	-0,076980	0,096189	0,096189	0,919266

Table 2. Total Effect (Mean, STDEV, t-Values)

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	Standard Error (STERR)	t Statistics (O/STERR)
LS -> AQ	0,140814	0,150722	0,064636	0,064636	2,178563
LOC -> AQ	-0,199242	-0,198028	0,083363	0,083363	2,390071

CONCLUSION

From the results of tests conducted using PLS (Partial Least Square), the researcher found that personal characteristics which represented by external locus of control have association with organizational commitment, acceptance of audit dysfunctional behaviour and audit quality, while leadership style only significantly related with organizational commitment and audit quality. The most significant result shown in this study is association between organizational commitment and audit quality which indicated that the government's auditors who have high organizational commitment will tend to make their best efforts during the audit so that audit quality will be produced.

The research results which show that external locus of control is directly related to organizational commitment, acceptance of audit dysfunctional behavior and audit quality implies that the personal characteristic of individual is an important factor that must be considered properly by the organization because personal characteristic will give direct impact on organizational commitment, acceptance of audit dysfunctional behavior and audit quality. Just as suggested by Donnelly *et al.* (2003a) that in order to overcome the problem of external locus of control it needs development program or training and supervision for auditors who have external locus of control because high quality of audit is a priority for the organization or audit institution.

In addition, it is also found that leadership style is positively related to audit quality. This shows that with leadership style that takes into account consideration and initiating structure will help in achieving qualified audit. With that results, BPK and BPKP as government's audit institution should be able to apply leadership style that considers consideration and initiating structure especially for the Team Leader in directing the team members during the audit process in order to obtain qualified audit results.

In practice, this research has several inadequacies that may affect the research results. Those inadequacies include: (1) the research was conducted when government's auditors especially BPK are doing interim audit so that the number of samples used in this research is limited to 111 samples, so this limitation may affect the research results obtained, and (2) this study used concepts developed in the audit in private sector by applying it in public sector, so there may be some things that do not reflect the audit in public sector, as well as leadership style. This is because the leadership style used in this research is the leadership style of the audit team leader who leads the audit execution in the field, while the special characteristic of public sector is the existence of bureaucracy so that lack of influence of leadership style of the team leader in influencing the members to achieve organizational goals probably happen.

Related to the existing research inadequacies, the researcher offered some suggestions that can be considered in order to improve and develop further research. Firstly, further research should be able to consider audit time of BPK and BPKP so that number of samples obtained is not limited or in small amount in order to obtain better results. In addition, further research should be able to focus the respondent only on BPK or BPKP so the research results can be generalized increasingly to the government's external auditors or internal auditors. Secondly, although the concepts used in this research was a concept drawn from the audit of private sector or business but further research could use the concept in the audit of public sector such as the audit quality because the concept is already being used in some foreign research so that the research results can reflect the quality of government's audit. In addition, further research could develop this research by using the leadership concept which has influence in decisions on audit institutions such as BPK and BPKP, as an example of

transformational leadership that can affect its members through a change in mission, the ways in implementing the tasks and human resources management to achieve organization's goals. Lastly, development of further research can be done by adding other variables related to personal characteristics such as self efficacy.

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